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In pursuance of a plan sponsored by President Feron and the Argentine government, efforts allegedly will be made to create markets for Argentine industry and trade in the Caribbean area, South America and Canada. Senator Diego Luis Molinari, leading member of the Argentine delegation to the Tavana International Trade Organization (ITO) Conference who remained in Cuba after the conference was over, entered into negotiations with the Banco Nunez. Allegedly, a partnership understanding was entered into on a fifty-fifty basis,

On 8 April 1948 a preliminary contract was signed by the bank and Molinari.

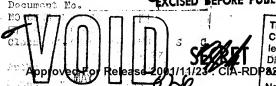
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Comment. Prior to this, on 2 April an agreement had been signed by the authorities of the free port of Matanzas and the Argentines providing funds for a study of the uses of the port and the erection of necessary buildings.)

- 2. According to Pemigio Arturo Alvarez, a former secretary of the Argentine delegation to the ITO who presently represents the Comite de Estudios de Almacenes de la Zona Franca de Matanzas, the Argentine corporation established by Volinari's agreement a pears to represent the private interests of Fresident Peron and not the Argentine state. The agreement which was entered into on 8 April 1948 is a private agreement. The Argentine Ambassador to Cuba at the time had no knowledge of the steps being taken by his government.
- 3. Under the agreement of 8 April, freezer and storage plans will be built in the latanzas free port, as well as bond stores and new wharfage facilities. Funds will be established for this purpose by the corporation.
- 4. Alvarez claims that the Argentines who are advising Peron are of the opinion that the United States foreign policy in Latin America is ineffective, and harmful to the interests of the South American republics. According to these advisors, the United States has been especially unsuccessful in labor matters and in the improvement of the standard of living of the Latin Americans.
- 5. Peron and his followers believe that South America should become neither communistic nor capitalistic and that the Argentine republic has an historic mission to fulfill in South America which cannot be fulfilled by the United States. Peron has been advised that the foreign volicy of the United States in Latin America will create a pro-Pussian symmathy among the common people and will develop a more serious situation in Latin America. In order to counter-balance the efforts of the United States, Peron decided that private Argentine capital should be utilized to create a corroration which would operate all over the South American continent and in the United States. The

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corporation allegedly will act as a good will agency and at the same time will create prestige for Argentina and will open new markets for Argentine industry and agriculture.

Comment. Source pointed out that for these reasons for the corporation.)

- 6. Reportedly, money is no obstacle, as the Argentine government is quietly supporting the entire enterprise. The experiment will proceed for one or two years even if no money is received from the current investments. In the case of a third World War they feel that United States influence will shrink and at that time a strong and neutral Argentina will step in and take over
- 7. At the present time, all preparations have been of an economic nature. However, political steps will be taken when it is determined that the appropriate time has arrived. Instructions have been received by the Comite de Estudios de Almacenes de la Zona Franca de Matanzas not to take any steps which might irritate the United States government. Farticularly, the Argentine government allegedly does not wish to alarm the United States meat and wheat interests. The Argentine government is not so eager to export large shipments of goods but allegedly is more interested in the creation of a slowly-growing pro-Argentine sentiment in the Cuban population.
- 8. A report prepared by the Argentine Consul in Hawana, Dr. Jorge Leonardi y Lapouble, indicated that the Argentines intend to establish a very large trade zone in Matanzas to contain, among other things, silos for wheat and facilities for packing meat, and a flour mill.
- original plans for the economic penetration of Cuba included the establishment of a Cuban-Argentine Bank of the Antilles at a capital of five million dollars. Two million five hundred thousand dollars were to be provided by the Argentine interests and the balance by Cuban interests. The bank, which was to be in operation by the end of June 1948, was to be operated by a former high official of the Argentine Central Bank. Although Molinari did arrive in Cuba in June, the bank is not in operation. Puring June, two and one-half million dollars were received by the National City Bank of New York, Havana, Branch, by draft and deposited subsequently in the Banco Munez.
 - 10. Alvarez advised that following meetings in New York on 6 August 1948 between a group of Suban capitalists and interested Argentines the date of the opening of the Suban-Argentine Bank of the Antilles in Havana would be announced as well as the nature of the improvements to be made in the free port of Matanzas. On 8 August 1948 source was advised that the work was progressing slowly because the United States was creating many difficulties for the Cubans.

